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**OFFICE OF THE SECRETARY OF DEFENSE**

30 August 1976

*Memo For* Frank M. Slatinshek

Would like to explore with you on an informal basis a way in which we can fund certain special intelligence activities. I believe that you are aware that the DoD, with the concurrence of several key Congressional leaders, is currently funding certain of these activities in a way which conceals the funding.

The attached amendment parallels the discretion given the Director of Central Intelligence regarding the funding of secret activities. It is the desire of Deputy Secretary of Defense Ellsworth to revise current authorization procedures so as to reduce or eliminate any charge that the DoD is expending funds in an illegal manner.

If you have any questions, please call me.



Stephen R. Harrick  
Colonel, USA  
Deputy Director  
Legislative Liaison  
X695-7104

A B I L L

To amend Title 10, United States Code, to authorize the Secretary of Defense to establish special offices for the collection of intelligence, and for other purposes.

1       Be it enacted by the Senate and House of Representatives of the  
2       United States of America in Congress assembled, That chapter 3  
3       of title 10, United States Code, is amended by adding the following  
4       new section after section 126 and inserting a corresponding item in  
5       the analysis:

6       "§127. Creation of Special Intelligence Offices.

7       "(a) The Secretary of Defense may establish special offices  
8       for the collection of intelligence in any component of the Department  
9       of Defense.

10       "(b) The sums made available to the Department of Defense to  
11       offices so designated by the Secretary of Defense may be expended  
12       without regard to the provisions of law and regulations relating to  
13       the expenditure of Government funds. Expenditures for objects of a  
14       confidential, extraordinary, or emergency nature are to be accounted  
15       for solely on the certificate of the Secretary of Defense or a person  
16       designated by him for that purpose, and every such certificate shall  
17       be deemed a sufficient voucher for the amount therein certified."